IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

THURSDAY, THE TWENTY FOURTH DAY OF MARCH
TWO THOUSAND AND FIVE

PRESENT

**THE HON'BLE SRI DEVINDER GUPTA,THE CHIEF JUSTICE**

**and**
**THE HON'BLE MR JUSTICE B.SESHASAYANA REDDY**

**WRIT PETITION NO : 5352 of 2005**

Between:

M/s. Mahboobnagar Housing Board Allottees and Agreement purchasers Welfare Association rep. by its President T. Venkata Rao, S/o. T. Hanumantha Rao, aged 61 years, R/o. 442, MIGH.I, APHB Colony, Yedira Village of Mahaboobnagar Mandal and District.

**..... PETITIONER**

AND

1 The Vice Chairman and Managing Director, Andhra Pradesh Housing Board, Gruhakalpa, M.J. Road, Hyderabad.
2 The Executive Engineer, Andhra Pradesh Housing Board, Mahaboobnagar.
3 The Land Acquisition Officer/Revenue Divisional Officer, Mahaboobnagar.
4 M. Vijayalakshmi W/o. Yadi Reddy
R/o. Narellapally VIllage, Thimmajipet Mandal, Mahaboobnagar District.
5 M. Sunitha W/o. Krishna Reddy
R/o. Narellapally VIllage, Thimmajipet Mandal, Mahaboobnagar District.
6 Mohammad Anwar Ali S/o. Late Md. Ghouse.
R/o. Narellapally VIllage, Thimmajipet Mandal, Mahaboobnagar District.
7 Nizamuddin S/o. Late Md. Ghouse
R/o. Narellapally VIllage, Thimmajipet Mandal, Mahaboobnagar District.
8 Nayeemuddin, S/o. Late Md. Ghouse
R/o. Narellapally VIllage, Thimmajipet Mandal, Mahaboobnagar District.
9 Md. Isaque, S/o. Late Md. Ghouse
R/o. Narellapally VIllage, Thimmajipet Mandal, Mahaboobnagar District.
10 Saame Krishnaiah S/o. Saame Nagaiah
R/o. Appannapally Village, Mahaboobnagar Mandal and District.

11 Saame Manyam S/o. Saame Nagaiah
R/o. Appannapally Village, Mahaboobnagar Mandal and District.
12 Saame Venkatramulu S/o. Saame Nagaiah
R/o. Appannapally Village, Mahaboobnagar Mandal and District.
13 Saame Balamma W/o. Saame Hanumaiah
R/o. Appannapally Village, Mahaboobnagar Mandal and District.
14 Saame Naayanna S/o. Saame Hanumaiah,
R/o. Appannapally Village, Mahaboobnagar Mandal and District.
15 Saame Kurmanna S/o. Saame Hanumaiah,
R/o. Appannapally Village, Mahaboobnagar Mandal and District.
16 Saame Kondanna S/o. Saame Nagaiah
R/o. Appannapally Village, Mahaboobnagar Mandal and District.
17 G. Ramakrishna S/o. G. Balanaiah
R/o. Near Station Road, Mahaboobnagar.
18 N. Srihari S/o. Thirupataiah
R/o. Near Station Road, Mahaboobnagar.
19 M.V. Ramanaiah S/o. SIddiah
R/o. Mahaboobnagar,
20 M. Annapurna W/o. M.V. Ramanaiah
R/o. Mahaboobnagar,
21 M. Chandrakala W/o. M. Venkataiah Goud
R/o. Mahaboobnagar,
22 M. Venkaiah Goud S/o. Sayanna Goud
R/o. Mahaboobnagar,
23 P. Chenna Reddy S/o. P. Venkata Reddy
R/o. Shahsab Gutta, Mahaboobnagar.
24 P. Chennamma W/o. P. Chenna Reddy
R/o. Shahsab Gutta, Mahaboobnagar.
25 P. Yadamma W/o. P. Narasimhulu Goud
R/o. Shahsab Gutta, Mahaboobnagar.
26 P. Udaya Kumar S/o. P. Narasimhulu Goud,
R/o. Shahsab Gutta, Mahaboobnagar.
27 P. Somasekhar Reddy S/o. P. Chenna Reddy
R/o. Shahsab Gutta, Mahaboobnagar.
28 P. Venkat Reddy S/o. P. Chenna Reddy
R/o. Shahsab Gutta, Mahaboobnagar.
29 P. Vijaya Lakshmi W/o. P. Krishna Reddy,
R/o. Appannapally Village, Mahaboobnagar Mandal and District.
30 P. Amruamma W/o. P. Venkata Reddy,
R/o. Appannapally Village, Mahaboobnagar Mandal and District.

**.....RESPONDENT(S)**

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue a writ of Mandamus or any other appropriate writ or direction declaring the order of the Senior Civil Judge/Lok Adalat, Mahabubnagar passed in O.P.No. 81/2004 to 86/2004 dt. 5-2-2005 as illegal arbitrary and pass such other or further orders as the Hon'ble Court feels deem fit and proper in the facts and circumstances of the case.

**Counsel for the Petitioner:MR.O.MANOHER REDDY**

**Counsel for the Respondents 1 and 2: Mr. J. Prabhakar**

**Counsel for the Respondent No. 3: GP For Land Acquisition**

**Counsel for the Respondents 4 to 30: Mr. A. Narasimha Reddy**

**The Court at the admission stage made the following Oral Order : (per Sri Devinder Gupta, CJ)**

M/s. Mahaboobnagar Housing Board Allottees and Agreement Purchasers Welfare Association, which is one of the Associations comprising of the original allottees or persons claiming title through them, filed this writ petition challenging the Award of

the Lok Adalat, Mahabubnagar passed in O.P. Nos.81 to 86 of 2004, dated 5.2.2005, as illegal and arbitrary. Needless to add that for the purpose of construction of houses for general public residing in Mahabubnagar, survey was conducted by the respondent-Housing Board in the year 1980 and after satisfying that there was demand, initiated proceedings for acquiring the land in Survey Nos.47 to 52 admeasuring 55.34 acres in Yedira Village. The Land Acquisition Officer passed an award on 11.7.1996 granting compensation of Rs.22,000/- per acre and the claimants being not satisfied with the amount of compensation offered by the Land Acquisition Officer, sought further enhancement of the said compensation amount. The matter has been pending before the Civil Court for determination of the compensation amount under Section 18 of the Land Acquisition Act, 1894. In the meanwhile, after taking over possession, the land was developed and plots were allotted to various allottees under agreement for sale of independent houses in which one of the condition is as follows:

> "The purchaser hereby agrees to pay any increase in the cost price as has been fixed by the Vice Chairman & Housing Commissioner arising out of the increase in compensation of land which is to be decided hereinafter. Such payment shall be proportional amount of such increase the corpus of which will be fixed by the Vice Chairman and Housing Commissioner which will be final and binding on the purchaser. The amount thus fixed by the Vice-Chairman & Housing Commissioner shall be paid by the purchaser within one month of the demand made. The purchaser shall have the option to pay such amount in equated instalments, spread over number of years as may be fixed by the Vice Chairman & Housing Commissioner".

As per the aforementioned condition, the allottees agreed to pay any increase in the cost of price as was fixed by the Vice Chairman and Housing Commissioner, arising out of increase in compensation of land.

While matters were pending for determination of compensation amount before the Civil Court, the O.P. was got referred to the Lok Adalat under Section 20 of the Legal Services Authorities Act, 1987. On the basis of the settlement made by the claimants with the Land Acquisition Officer, Mahaboobnagar and the Executive Engineer, Housing Board, Mahaboobnagar, impugned Award under Section 21 of the Legal Services Authorities Act, 1987 was passed.

Learned counsel for the petitioner submits that compromise could not have been arrived at by the Board, which had the effect of enhancing the compensation amount to claimants since, ultimately it is the allottees of various plots who are directly affected by such enhancement. Therefore, he submits that compromise, if any, ought to have been arrived at with their concurrence and therefore they are aggrieved by the Award of the Lok Adalat. Learned Counsel also states that the enhancement of compensation amount is without any material or lawful justification. Therefore, they are entitled to challenge the action of the respondent-Board in having entered into compromise as regards market value payable to the claimants.

Heard the learned counsel for the petitioner and gone through the record.

We do not find any substance in the writ petition inasmuch as the petitioner-Association has no locus standi to question the Award of Lok Adalat. The Award of Lok Adalat amounts to answering a reference made to the Court for determination of the compensation amount payable to the claimants. Only Land Acquisition Officer and the beneficiary-Department, namely, Housing Board were necessary parties. There is no doubt that members of the petitioner-Association have to pay the additional cost price pursuant to enhancement in the amount of compensation as per the decision of the Vice Chairman and Managing Director. But, a right cannot be accrued to the petitioner-Association to challenge the determination of compensation amount inasmuch as the matter has been referred to the Lok Adalat and settlement had been arrived at in the Lok Adalat. Only Housing Board could have challenged the award of Lok Adalat on grounds available in law, but not the Association which is aggrieved with the decision of the Housing Board asking them to pay the amount in the event of increase in the costs of land because of the amount of compensation payable to the landholders.

We are informed by the learned counsel for the Respondent-Board that there are three such Welfare Associations, out of which, two of the Assosications have already agreed to pay the enhanced amount. But, the present petitioner, namely, M/s. Mahaboobnagar Housing Board Allottees and Agreement Purchasers Welfare Association, intends to thwart the action of the respondent-Board in having entered into a lawful settlement.

We find no force in the writ petition. The writ petition is accordingly dismissed. No costs.

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DEVINDER GUPTA,CJ

DATE: 24th March, 2005

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B. SESHASAYANA REDDY,J

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To

1 The Vice Chairman and Managing Director, Andhra Pradesh Housing Board, Gruhakalpa, M.J. Road, Hyderabad.
2 The Executive Engineer, Andhra Pradesh Housing Board, Mahaboobnagar.
3 The Land Acquisition Officer/Revenue Divisional Officer, Mahaboobnagar.
4 Two C.Cs. to the Government Pleader for Land Acquisition, High Court Buildings, Hyderabad(OUT)

5 Two C.D. copies

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